

**Subpart C—Use of Funds/Eligible Activities**

**§ 1805.300 Purposes of financial assistance.**

The Fund may provide financial assistance through investment instruments described under subpart D of this part. Such financial assistance is intended to strengthen the capital position and enhance the ability of an Awardee to provide Financial Products and Financial Services.

**§ 1805.301 Eligible activities.**

Financial assistance provided under this part may be used by an Awardee to serve Investment Area(s) or Targeted Population(s) by developing or supporting:

- (a) Commercial facilities that promote revitalization, community stability or job creation or retention;
- (b) Businesses that:
  - (1) Provide jobs for Low-Income persons;
  - (2) Are owned by Low-Income persons; or
  - (3) Enhance the availability of products and services to Low-Income persons;
- (c) Community Facilities;
- (d) The provision of Financial Services;
- (e) Housing that is principally affordable to Low-Income persons, except that assistance used to facilitate home ownership shall only be used for services and lending products that serve Low-Income persons and that:
  - (1) Are not provided by other lenders in the area; or
  - (2) Complement the services and lending products provided by other lenders that serve the Investment Area(s) or Targeted Population(s);
- (f) The provision of Consumer Loans (a loan to one or more individuals for household, family, or other personal expenditures); or
- (g) Other businesses or activities as requested by the Applicant and deemed appropriate by the Fund.

**§ 1805.302 Restrictions on use of assistance.**

- (a) An Awardee shall use assistance provided by the Fund and its corresponding matching funds only for the

eligible activities approved by the Fund and described in the Assistance Agreement.

- (b) An Awardee may not distribute assistance to an Affiliate without the Fund's consent.

- (c) Assistance provided upon approval of an application involving a Community Partnership shall only be distributed to the Awardee and shall not be used to fund any activities carried out by a Community Partner or an Affiliate of a Community Partner.

**§ 1805.303 Technical assistance.**

- (a) *General.* The Fund may provide technical assistance to build the capacity of a CDFI or an entity that proposes to become a CDFI. Such technical assistance may include training for management and other personnel; development of programs, products and services; improving financial management and internal operations; enhancing a CDFI's community impact; or other activities deemed appropriate by the Fund. The Fund, in its sole discretion, may provide technical assistance in amounts, or under terms and conditions that are different from those requested by an Applicant. The Fund may not provide any technical assistance to an Applicant for the purpose of assisting in the preparation of an application. The Fund may provide technical assistance to a CDFI directly, through grants, or by contracting with organizations that possess the appropriate expertise.

- (b) The Fund may provide technical assistance regardless of whether the recipient also receives financial assistance under this part. Technical assistance provided pursuant to this part is subject to the assistance limits described in § 1805.402.

- (c) An Applicant seeking technical assistance must meet the eligibility requirements described in § 1805.200 and submit an application as described in § 1805.601.

- (d) Applicants for technical assistance pursuant to this part will be evaluated pursuant to the competitive review criteria in subpart G of this part, except as otherwise may be provided in the applicable NOFA. In addition, the requirements for matching funds are